

Representative Kraig Powell proposes the following substitute bill:

CHARTER SCHOOL FINANCE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies funding for charter schools and the content of a property tax notice.

Highlighted Provisions:

This bill:

- ▶ requires a school district to allocate 25% of district per pupil revenues for each student of the school district who is enrolled in a charter school regardless of the charter school students' average local revenues; and
- ▶ requires a property tax notice to state the amount of property taxes imposed on the taxpayer that represents revenue distributed to charter schools.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-1a-513, as last amended by Laws of Utah 2013, Chapter 470

59-2-1317, as last amended by Laws of Utah 2014, Chapter 279



26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **53A-1a-513** is amended to read:

28 **53A-1a-513. Funding for charter schools.**

29 (1) As used in this section:

30 (a) "Charter school students' average local revenues" means the amount determined as
31 follows:

32 (i) for each student enrolled in a charter school on the previous October 1, calculate the
33 district per pupil local revenues of the school district in which the student resides;

34 (ii) sum the district per pupil local revenues for each student enrolled in a charter
35 school on the previous October 1; and

36 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students
37 enrolled in charter schools on the previous October 1.

38 (b) "District local property tax revenues" means the sum of a school district's revenue
39 received from the following levies:

40 (i) (A) a voted levy imposed under Section [53A-17a-133](#);

41 (B) a board levy imposed under Section [53A-17a-134](#);

42 (C) a 10% of basic levy imposed under Section [53A-17a-145](#);

43 (D) a tort liability levy imposed under Section [63G-7-704](#);

44 (E) a capital outlay levy imposed under Section [53A-16-107](#); and

45 (F) a voted capital outlay levy imposed under Section [53A-16-110](#); or

46 (ii) (A) a voted local levy imposed under Section [53A-17a-133](#);

47 (B) a board local levy imposed under Section [53A-17a-164](#), excluding revenues
48 expended for:

49 (I) recreational facilities and activities authorized under Title 11, Chapter 2,
50 Playgrounds;

51 (II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of
52 taxable value of the school district's board local levy; and

53 (III) the K-3 Reading Improvement Program, up to the amount of revenue generated by
54 a .000121 per dollar of taxable value of the school district's board local levy; and

55 (C) a capital local levy imposed under Section [53A-16-113](#).

56 (c) "District per pupil local revenues" means an amount equal to the following, using

57 data from the most recently published school district annual financial reports and state
58 superintendent's annual report:

59 (i) district local property tax revenues; divided by

60 (ii) the sum of:

61 (A) a school district's average daily membership; and

62 (B) the average daily membership of a school district's resident students who attend
63 charter schools.

64 (d) "Resident student" means a student who is considered a resident of the school
65 district under Title 53A, Chapter 2, Part 2, District of Residency.

66 (e) "Statewide average debt service revenues" means the amount determined as
67 follows, using data from the most recently published state superintendent's annual report:

68 (i) sum the revenues of each school district from the debt service levy imposed under
69 Section 11-14-310; and

70 (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district
71 average daily membership.

72 (2) (a) Charter schools shall receive funding as described in this section, except
73 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

74 (b) Charter schools authorized by local school boards that are converted from district
75 schools or operate in district facilities without paying reasonable rent shall receive funding as
76 prescribed in Section 53A-1a-515.

77 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall
78 receive state funds, as applicable, on the same basis as a school district receives funds.

79 (b) For the 2013-14 and 2014-15 school years, the number of weighted pupil units
80 assigned to a charter school for the kindergarten and grades 1 through 12 programs of the Basic
81 School Program shall be:

82 (i) based on the higher of:

83 (A) October 1 enrollment in the current school year; or

84 (B) average daily membership in the prior school year plus growth as determined under
85 Section 53A-17a-106; and

86 (ii) weighted as provided in Subsection (3)(c).

87 (c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter

88 schools, charter school pupils shall be weighted, where applicable, as follows:

- 89 (i) .55 for kindergarten pupils;
- 90 (ii) .9 for pupils in grades 1 through 6;
- 91 (iii) .99 for pupils in grades 7 through 8; and
- 92 (iv) 1.2 for pupils in grades 9 through 12.

93 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
94 resident student of the school district who is enrolled in a charter school on October 1 equal to
95 25% of the [~~lesser of: (A)~~] district per pupil local revenues[~~;~~or].

96 [~~(B) charter school students' average local revenues.~~]

97 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program
98 established under Chapter 28, Utah School Bond Guaranty Act.

99 (b) The State Board of Education shall:

100 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
101 state funds the school district is authorized to receive under Chapter 17a, Minimum School
102 Program Act; and

103 (ii) remit the money to the student's charter school.

104 (c) Notwithstanding the method used to transfer school district revenues to charter
105 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter
106 schools under this section from:

107 (i) unrestricted revenues available to the school district; or

108 (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the
109 allocations to charter schools attributed to each of the revenue sources listed in Subsection
110 (1)(b).

111 (d) (i) Subject to future budget constraints, the Legislature shall provide an
112 appropriation for charter schools for each student enrolled on October 1 to supplement the
113 allocation of school district revenues under Subsection (4)(a).

114 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the
115 state for a charter school student shall be the sum of:

116 (A) charter school students' average local revenues minus the allocation of school
117 district revenues under Subsection (4)(a); and

118 (B) statewide average debt service revenues.

119 (iii) If the total of a school district's allocation for a charter school student under
120 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
121 \$1427, the state shall provide an additional supplement so that a charter school receives at least
122 \$1427 per student under this Subsection (4).

123 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the
124 amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated
125 among charter schools in proportion to each charter school's enrollment as a percentage of the
126 total enrollment in charter schools.

127 (B) If the State Board of Education makes adjustments to Minimum School Program
128 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection
129 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

130 (e) Of the money provided to a charter school under this Subsection (4), 10% shall be
131 expended for funding school facilities only.

132 (5) Charter schools are eligible to receive federal funds if they meet all applicable
133 federal requirements and comply with relevant federal regulations.

134 (6) The State Board of Education shall distribute funds for charter school students
135 directly to the charter school.

136 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state
137 transportation funding.

138 (b) The board shall also adopt rules relating to the transportation of students to and
139 from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

140 (c) The governing body of the charter school may provide transportation through an
141 agreement or contract with the local school board, a private provider, or with parents.

142 (8) (a) (i) In accordance with Section 53A-1a-513.5, the State Charter School Board
143 may allocate grants for start-up costs to charter schools from money appropriated for charter
144 school start-up costs.

145 (ii) The governing board of a charter school that receives money from a grant under
146 Section 53A-1a-513.5 shall use the grant for expenses for planning and implementation of the
147 charter school.

148 (b) The State Board of Education shall coordinate the distribution of federal money
149 appropriated to help fund costs for establishing and maintaining charter schools within the

150 state.

151 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
152 endowment, gift, or donation of any property made to the school for any of the purposes of this
153 part.

154 (b) It is unlawful for any person affiliated with a charter school to demand or request
155 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
156 with the charter school as a condition for employment or enrollment at the school or continued
157 attendance at the school.

158 Section 2. Section **59-2-1317** is amended to read:

159 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**
160 **providing notice.**

161 (1) Subject to the other provisions of this section, the county treasurer shall:

162 (a) collect the taxes; and

163 (b) provide a notice to each taxpayer that contains the following:

164 (i) the kind and value of property assessed to the taxpayer;

165 (ii) the street address of the property, if available to the county;

166 (iii) that the property may be subject to a detailed review in the next year under Section
167 [59-2-303.1](#);

168 (iv) the amount of taxes levied;

169 (v) a separate statement of the taxes levied only on a certain kind or class of property
170 for a special purpose;

171 (vi) property tax information pertaining to taxpayer relief, options for payment of
172 taxes, and collection procedures;

173 (vii) if applicable, the amount of an assessment assessed in accordance with Section
174 [11-42-401](#);

175 (viii) the date the taxes are due;

176 (ix) the street address at which the taxes may be paid;

177 (x) the date on which the taxes are delinquent;

178 (xi) the penalty imposed on delinquent taxes;

179 (xii) the information required by Subsection (6);

180 [~~(xii)~~] (xiii) other information specifically authorized to be included on the notice

181 under this chapter; and

182 [~~(xiii)~~] (xiv) other property tax information approved by the commission.

183 (2) For any property for which property taxes are delinquent, the notice described in
184 Subsection (1) shall state, "Prior taxes are delinquent on this parcel."

185 (3) Except as provided in Subsection (4), the county treasurer shall:

186 (a) mail the notice required by this section, postage prepaid; or

187 (b) leave the notice required by this section at the taxpayer's residence or usual place of
188 business, if known.

189 (4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at
190 the county treasurer's discretion, provide the notice required by this section by electronic mail if
191 a taxpayer makes an election, according to procedures determined by the county treasurer, to
192 receive the notice by electronic mail.

193 (b) A taxpayer may revoke an election to receive the notice required by this section by
194 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

195 (c) A revocation of an election under this section does not relieve a taxpayer of the
196 duty to pay a tax due under this chapter on or before the due date for paying the tax.

197 (d) A county treasurer shall provide the notice required by this section using a method
198 described in Subsection (3), until a taxpayer makes a new election in accordance with this
199 Subsection (4), if:

200 (i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the
201 notice required by this section by electronic mail; or

202 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

203 (e) A person is considered to be a taxpayer for purposes of this Subsection (4)
204 regardless of whether the property that is the subject of the notice required by this section is
205 exempt from taxation.

206 (5) (a) The county treasurer shall provide the notice required by this section to a
207 taxpayer on or before November 1.

208 (b) The county treasurer shall keep on file in the county treasurer's office the
209 information set forth in the notice.

210 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.

211 (6) (a) The notice a treasurer is required to furnish to a taxpayer under Subsection (1)

212 shall state the amount of property taxes imposed on the taxpayer that represents revenue
213 distributed to charter schools as provided in Section [53A-1a-513](#).

214 (b) For purposes of the statement required by Subsection (6)(a), a treasurer shall
215 determine the amount of property taxes described in Subsection (6)(a) in accordance with a
216 formula established by the commission in rules adopted in accordance with Title 63G, Chapter
217 3, Utah Administrative Rulemaking Act.

218 (c) By the date specified by the commission in rules adopted under Subsection (6)(b),
219 the State Board of Education shall report to county treasurers the estimated amount of revenues
220 of each school district to be distributed to charter schools as provided in Section [53A-1a-513](#).

221 [~~6~~] (7) This section does not apply to property taxed under Section [59-2-1302](#) or
222 [59-2-1307](#).